

CHAPTER 69-07-02 LICENSING

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69-07-02-01. License application. An application for a license must be submitted on a form provided by the commission. Every business organization or sole proprietor using a trade name other than its given name must be registered and in good standing with the secretary of state. The application must be complete and must include:

1. The required license fee.
2. A surety bond, which must be countersigned by an authorized resident agent unless the bonding company is based in a state having reciprocity with North Dakota.
3. A copy of any receipt or credit-sale contract to be used by the licensee.
4. Certificate of continuous insurance in the required amount.
5. Partnerships applicants shall file a copy of their partnership agreement if the partnership is not registered with the secretary of state.

History: Amended effective May 1, 1984; February 1, 1991; August 1, 1999.

General Authority: NDCC 60-02-03, 60-02.1-03

Law Implemented: NDCC 60-02-07, 60-02.1-07

69-07-02-02. Grain warehouse - Bond schedule. The warehouse bond is determined by the total physical capacity licensed by the licensee in the state. The capacity of each warehouse, bin, annex, or any additional space must be specifically identified. The bond amounts are:

Capacity to 100,000 bushels	\$ 50,000
From 100,001 bushels through 125,000 bushels	62,500
From 125,001 bushels through 150,000 bushels	75,000

From 150,001 bushels through 175,000 bushels	\$87,500
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From 175,001 bushels through 200,000 bushels	100,000
From 200,001 bushels through 225,000 bushels	112,500
From 225,001 bushels through 250,000 bushels	125,000
From 250,001 bushels through 275,000 bushels	137,500
From 275,001 bushels through 300,000 bushels	150,000

From 300,001 bushels through 325,000 bushels	\$162,500
From 325,001 bushels through 350,000 bushels	175,000
From 350,001 bushels through 375,000 bushels	187,500
From 375,001 bushels through 400,000 bushels	200,000

From 400,001 bushels through 425,000 bushels	\$212,500
From 425,001 bushels through 450,000 bushels	225,000
From 450,001 bushels through 475,000 bushels	237,500
From 475,001 bushels through 500,000 bushels	250,000

A licensee with a capacity in excess of five hundred thousand bushels must furnish additional bond coverage of five thousand dollars for each twenty-five thousand bushels of capacity or fraction thereof.

Unless the commission determines that an increase is necessary to accomplish the purpose of North Dakota Century Code chapter 60-02, the bond of a warehouseman shall not exceed one million five hundred thousand dollars.

History: Amended effective May 1, 1984; August 1, 1999.

General Authority: NDCC 60-02-03

Law Implemented: NDCC 60-02-02, 60-02-07, 60-02-09

69-07-02-02.1. Grain buyer - Bond schedule. The grain buyer bond is determined by the three-year rolling average of grain purchased annually in this state by the grain buyer. The bond amounts are:

Up to 100,000 bushels	\$50,000
For each additional 100,000 bushels or fraction thereof in excess of 100,000 and up to 1,000,000	\$20,000
For each additional 100,000 bushels or fraction thereof in excess of 1,000,000	\$5,000

For a new licensee, the first year's bond shall be based on the projected purchase volume and the second year's bond and third year's bond shall be based on the average actual volume according to the above schedule.

Unless the commission determines that an increase is necessary to accomplish the purpose of North Dakota Century Code chapter 60-02.1, the bond of a facility-based grain buyer shall not exceed one million dollars nor shall the bond of a non-facility-based grain buyer exceed one million five hundred thousand dollars.

History: Effective August 1, 1999; amended effective August 1, 2000.

General Authority: NDCC 60-02.1-03

Law Implemented: NDCC 60-02.1-03, 60-02.1-08

69-07-02-02.2. Hay buyer - Bond schedule. The hay buyer bond is determined by the three-year rolling average of hay purchased annually in this state by the hay buyer. The bond amounts are:

Up to 2,500 tons	\$25,000
For each additional 2,500 tons or fraction thereof	\$25,000

Unless the commission determines that an increase is necessary to accomplish the purposes of North Dakota Century Code chapter 60-03, the bond of a hay buyer shall not exceed one million five hundred thousand dollars.

History: Effective August 1, 1999.

General Authority: NDCC 60-03-01.1

Law Implemented: NDCC 60-03-04

69-07-02-03. License renewal. A license is an annual license that expires on July thirty-first. A licensee must submit a renewal application to the commission by July fifteenth on a form that will be provided by the commission. Every business organization or sole proprietor using a trade name must be in good standing with the secretary of state. An application that is not received in a timely manner will result in the automatic discontinuance of business on August first.

History: Effective February 1, 1991; amended effective August 1, 1999.

General Authority: NDCC 60-02-03, 60-02.1-03, 60-03-01.1

Law Implemented: NDCC 60-02-07, 60-02.1-07, 60-03-02

69-07-02-04. Business documents - Revisions. A licensee must promptly notify the commission of a change in ownership, name, corporate structure, or format of any receipt or credit-sale contract.

History: Effective February 1, 1991; amended effective August 1, 1999.

General Authority: NDCC 60-02-03, 60-02.1-03

Law Implemented: NDCC 60-02-03, 60-02.1-03

69-07-02-05. Physically disconnected lease space. Facilities that are physically disconnected from licensed warehouse capacity may be leased to other entities for nonpublic use. These leased facilities are not part of the licensee's licensed capacity and related lease agreements must be based on the capacity of the facility involved and not on the number of bushels held in the space. The lessee is responsible for its own contents insurance, if any. The licensee need not bond the space. In case of licensee insolvency, the contents of the leased facilities are not a trust asset and the lessee is not entitled to protection for grain held therein. If the leased facilities are owned by the licensee, lease agreements must be on file at the warehouse.

History: Effective March 1, 2003.

General Authority: NDCC 60-02-03, 60-02.1-03

Law Implemented: NDCC 60-02-09, 60-02.1-03

69-07-02-06. Universal nonpublic use. When an entire facility is owned under a condominium arrangement or is leased to other entities for nonpublic use, the facility is not a public warehouse and no license is required. Ownership arrangements or lease agreements must be based on the capacity of the facility involved and not on the number of bushels held in the space. Grain owners are responsible for providing their own insurance on grain held in the facility.

History: Effective March 1, 2003.

General Authority: NDCC 60-02-03, 60-02.1-03

Law Implemented: NDCC 60-02-09, 60-02.1-03